



IR56

taxpayer's handbook

Use this guide if you are:

- a part-time private domestic worker
- an embassy staff member
- a New Zealand-based employee of an overseas employer
- a United States Antarctic Program worker.

Introduction

This guide explains your tax responsibilities as an IR56 taxpayer.

We explain:

- who is an IR56 taxpayer
- what you need to do if you are
- how and when you need to do it.

We've included IR56 summary forms at the back of this guide to help you record your earnings and work out your tax.

ird.govt.nz

Go to our website for information and to use our services and tools.

- **Log in or register for myIR** - manage your tax and entitlements online.
- **Calculators and tools** - use our calculators, worksheets and tools, for example, to check your tax code, find filing and payment dates, calculate your student loan repayment.
- **Forms and guides** - download our forms and guides.

Forgotten your user ID or password?

Request these online from the myIR login screen and we'll send them to the email address we hold for you.

For more information on how to contact us see page 26.

How to get our forms and guides

You can get copies of our forms and guides at ird.govt.nz/forms-guides

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Who are IR56 taxpayers?

An IR56 taxpayer is a worker required to pay their own taxes (PAYE) on their wage or salary. They are not self-employed. Examples of workers who might be classed as IR56 taxpayers include:

- embassy staff
- New Zealand-based employee of an overseas employer
- United States Antarctic Program workers
- private domestic workers who work part-time, such as home-helpers, caregivers, nannies, gardeners and domestic odd-jobbers.

Private domestic workers are people who:

- work in their employer's home, and
- do work for their employer that is not related to the employer's business, and
- are paid directly by their employer, and
- do not regularly work full-time, for example, work no more than 30 hours a week on average for each employer.

You cannot be an IR56 taxpayer if you are self-employed.

If you work for an employer part-time as a private domestic worker, you're an IR56 taxpayer. If you regularly work full-time, your employer becomes responsible for your PAYE tax and other deductions, such as student loan, child support and KiwiSaver (if any).

Here are some examples to help you decide if you are an IR56 taxpayer.

Example 1

George who lives in New Zealand, is employed by a US based architecture company. George participates in virtual meetings and completes all of his work in New Zealand which is sent back to the US electronically.

If the US company does not have sufficient presence in NZ for an obligation to deduct PAYE, George would have to account for his own tax through the New Zealand tax system as an IR56 taxpayer. For more information on 'sufficient presence' go to: taxtechnical.ird.govt.nz/operational-statements/2021/os-21-04

Example 2

Megan is employed to clean Amy's house for 8 hours a day, every Monday to Friday. Because Megan works for Amy for more than 30 hours a week, Amy must register as an employer and account for Megan's PAYE.

Example 3

Liz cleans houses for 5 different people. She averages around 8 hours a week for each person. Although she works a total of more than 30 hours, she is an IR56 taxpayer. She fits the definition of a private domestic worker because she is not working full-time for any 1 employer – she works in the employers' homes and is paid direct by each employer. This means Liz is responsible for paying the PAYE on her income from her domestic work.

Example 4

Doug works for Jessica as a gardener at her home. He works on a regular basis for up to 4 hours a week and is paid direct by Jessica. This makes Doug an IR56 taxpayer because he fits the definition of a private domestic worker. Doug is responsible for paying the PAYE on his income from Jessica.

Example 5

Joy runs a childcare service in her own home for 7 children from 7 am to 6 pm on weekdays. She employs other staff and the parents of each child pay Joy for her service. Joy is self-employed. She's not an IR56 taxpayer because she does not fit the definition of a private domestic worker. Joy is responsible for her own tax affairs, such as paying income tax and GST. Joy's staff are her employees, so they aren't IR56 taxpayers either. Joy must register as an employer and account for her employees' PAYE.

Note

If you provide an ACC client with any of the following services:

- attendant care
- childcare
- home help
- attendant care services related to training for independence

and if you're paid direct by the ACC client or ACC, you're not an IR56 taxpayer. ACC deducts the tax from these payments before they're made.

For more help

Because it's not always clear whether you're an employee or self-employed, read our leaflet **Self-employed or an employee? - IR336** to help work out your employment status.

New IR56 taxpayers

What you need to do

If you're an IR56 taxpayer, you need to:

- have an IRD number
- register as an IR56 taxpayer.

Applying for an IRD number

If you don't already have an IRD number, you need to fill in an **IRD number application - resident individual - IR595** form. For more information on applying for an IRD number go to ird.govt.nz/irdnumber

Registering as an IR56 taxpayer

To register as an IR56 taxpayer you can apply in myIR at ird.govt.nz/register-ir56 or send us a **IR56 taxpayer registration - IR359**

What happens next?

1 Complete your IR330

The IR330 is your tax code declaration. It's your record of the tax code you'll use.

You need to work out which tax code applies to you. See page 9 for help working out your tax code.

2 Keep records

You need to keep records of all your income. See page 12 for record keeping requirements.

3 Calculate PAYE

You need to work out how much tax (PAYE) to deduct from your IR56 income - see page 15.

4 Send in your New employee and KiwiSaver details - IR346K form

You'll need to fill out a **New employee and KiwiSaver details - IR346K** form in myIR or send it to us either:

- before your first pay day; or
- with the **Employment information - IR348** form that includes your first pay.

5 Send in your Employment information - IR348 form

At the end of every month you must complete a **Employment information - IR348** form, which has details of your gross wages and deductions made. You must file your IR348 within ten working days after the end of the month. You can do this in myIR or if filing by paper, send it to us.

If you do not receive income as an IR56 taxpayer in any month, you do not need to file a return.

6 Pay your Tax

You must pay your PAYE and other deductions to us by the 20th of the following month.

Note

If we do not receive your employment information returns (IR348) and payments by the due dates, penalties and interest may apply - see page 24.

Selecting your tax code

Fill in your personal details and choose your tax code on the **Tax code declaration - IR330**. Keep this for your records.

Working out your tax code

If your IR56 income is your main or only source of income

Follow the instructions on the IR330 and select the appropriate tax code. It should be either M, ME, M SL or ME SL.

Some earners will be entitled to the independent earner tax credit (IETC). If this applies to you, your tax code will be ME or ME SL if you have a student loan. To find out if you should be using this tax code see page 19.

If your IR56 income is a secondary income

There are 3 options for deducting your tax in this case.

Standard option

Normally, you use a secondary tax code SB, S, SH, ST, SA or if you have a student loan a SB SL, S SL, SH SL, ST SL or SA SL for secondary employment. However, if you expect to earn over \$15,600 a year from all income sources, you may end up paying too much tax during the year.

Note

If the secondary code you choose is SB SL or S SL and your gross income from your main job is less than the pay period threshold, for example, \$464 per week, the standard student loan deductions for your secondary job may be too high. Go to ird.govt.nz/special-deduction-rate to find out how you can get a lower rate for these deductions.

Self-calculating option

An alternative to using a secondary tax code is to use the self-calculating method. This lets you work out how much tax you should pay on your IR56 income. If you choose this option show **STC** as your tax code on your IR330. For more information see page 12.

Tailored tax code option

Another alternative is to apply for a tailored tax code. For more information read our leaflet **Do you need a tailored tax code - IR23G**, go to our website ird.govt.nz/forms-guides or call us on 0800 377 774.

Self-calculating - using the IR56 summary form

The self-calculating method takes into account the income and PAYE deducted from your main source of salary, wages or benefit income. Using this method will help you pay a more accurate amount of tax in some situations.

Monthly PAYE using the self-calculating method is \$87.15. This is the amount to pay.

April 2022		
Earnings as an IR56 taxpayer with NO PAYE deducted		
Payer's name	Gross earning (with no PAYE deducted)	
<i>Peter Brown</i>	\$ 720.00	
	\$.	
	\$.	
	\$.	
	\$.	
	\$.	
	\$.	
Total gross	A \$ 720.00	Transfer to "gross earnings and/or schedular payments" box on your Employment information - IR348 form.
Earnings with PAYE deducted (salary and wages)		
Payer's name	Gross earning (before PAYE deducted)	PAYE deducted by employer
<i>Books Ltd</i>	\$ 320.00	\$ 38.69
	\$.	\$.
	\$.	\$.
	\$.	\$.
	\$.	\$.
	\$.	\$.
	\$.	\$.
	B \$ 320.00	C \$ 38.69
Total combined gross earnings	D \$ 1040.00	Total PAYE
Add Box A and B		
PAYE (from PAYE tables) on combined total gross earnings in Box D	E \$ 125.84	
Total PAYE paid from Box C	F \$ 38.69	
PAYE to pay	G \$ 87.15	Transfer to Box 3 on your Employment information - IR348 form.
Subtract Box F from Box E.		
This is your balance of PAYE to pay.		

Secondary tax codes

If you use a secondary tax code for your IR56 income, you may pay more tax than you need to.

Your records			
Payer	Pay week ending	For week	For month
Peter Brown	07/08/2024	\$180	
Peter Brown	14/08/2024	\$180	
Peter Brown	21/08/2024	\$180	
Peter Brown	28/08/2024	\$180	
	August 2024		\$720

PAYE on \$720 using SB tax code is \$87.12

PAYE on \$720 using S tax code is \$137.52

Comparing the self-calculating and secondary tax code options

Based on the example on the previous pages, by using the self-calculating method, you'd pay \$87.58 less than you would if you used an S tax code, but almost the same amount as if you used the SB tax code.

Option	Tax to pay
Self-calculating method	\$87.15
S code	\$137.52
Difference	\$50.37
Self-calculating method	\$87.15
SB code (use only if your expected income from all sources will be less than \$15,600 a year)	\$87.12
Difference	\$0.03

Completing the Tax code declaration - IR330

When you've worked out the tax code to use, you need to complete an IR330 tax code declaration form. You do not need to fill in a new IR330 each year, unless you need to change it. Apply the new code from the start of the pay period you made the change. **Keep your IR330 as part of your tax records – do not send it to us.**

Record keeping and completing your IR56 summary forms

You must keep all records for 7 years. They must be in English or Māori, unless you have written approval from us to use another language for your records.

Self-calculation records - IR56 summary form

If you have more than 1 source of income, we suggest you keep a weekly record of all your earnings.

Use the IR56 summaries at the back of this guide to help complete your **Employment information - IR348** and to correctly calculate your PAYE.

Remember:

- keep your own weekly records of all your income
- every payday, add the totals for the pay period and write this on your IR56 summary form - see pages 28-39 for blank forms to fill in.

Keep the IR56 summary form as well as a copy of your **New employee and KiwiSaver details - IR346K** form and copies of your **Employment information - IR348** forms.

Main income records

If your IR56 income is your only income, at the end of each month add up your income and put it on your **Employment information - IR348**.

You need to keep a record of your earnings, such as payslips, diary or bank statements if your wage is direct credited, or a wage summary.

Employees of overseas employers will need to keep records of non-cash benefits received and employer superannuation contributions to include in your **Employment Information - IR348**

Completing your IR56 summary forms

The IR56 summary form is used for self-calculating the tax you need to pay.

Payer's name

This is the name of the person who is paying you. If you work for more than one person, fill in the names of all the payers.

Box A - Total IR56 earnings

Add up the income from your IR56 earnings to get your total gross IR56 income.

Box B - Total earnings from salary or wages

Add up the income that has PAYE deducted to get your total gross salary or wages.

Note

If you receive a benefit you may need to contact Work and Income to get details of your gross benefit income and PAYE.

Box C - PAYE on salary or wages

Add up the PAYE deducted from your salary, wages or benefit to get your total PAYE deducted.

Box D - Total gross earnings

Add Box A to Box B. This is your total combined gross earnings liable for tax for the month.

Box E - PAYE

Go to the monthly PAYE tables to work out the PAYE on the amount in Box D using the tax code you selected (M or ME), or you can use our PAYE calculator – go to ird.govt.nz/PAYEcalculator

Write the PAYE in Box E.

Box F - Total PAYE paid

Copy the Box C amount here.

Box G - PAYE to pay

Subtract Box F from Box E. Write the answer in Box G. This is the amount of PAYE you must pay us.

Example - IR56 summary form

April 2024

Earnings as an IR56 taxpayer with NO PAYE deducted

Payer's name

Gross earning
(with no PAYE deducted)

\$.	
\$.	
\$.	
\$.	
\$.	
\$.	
\$.	
\$.	

Transfer to "gross earnings and/or schedular payments" box on your **Employment information - IR348** form.

Total gross

A

\$.	
----	--	---	--

Earnings with PAYE deducted (salary and wages)

Payer's name

Gross earning
(before PAYE deducted)

\$.	
\$.	
\$.	
\$.	
\$.	
\$.	
\$.	
\$.	

PAYE deducted by employer

\$.	
\$.	
\$.	
\$.	
\$.	
\$.	
\$.	
\$.	

B

C

Total gross

Total PAYE

Total combined gross earnings

Add Box A and B

D

\$.	
----	--	---	--

PAYE (from PAYE tables) on combined total gross earnings in Box D

E

\$.	
----	--	---	--

Total PAYE paid from Box C

F

\$.	
----	--	---	--

PAYE to pay

Subtract Box F from Box E.

This is your balance of PAYE to pay.

G

\$.	
----	--	---	--

Transfer to Box 3 on your **Employment information - IR348** form.

Note

Keep the IR56 summary for your records – do not send the form to us.

Calculating your PAYE

PAYE tables

PAYE tables are updated each year, or when the tax rate changes. You can view the PAYE tables online – go to ird.govt.nz/forms-guides

4-weekly and monthly PAYE deductions tables IR341

or use our **PAYE calculator** – go to ird.govt.nz/PAYEcalculator

You can order PAYE tables by calling 0800 257 773 (remember to have your IRD number with you).

Main tax codes

The first section of the PAYE tables has columns for M and ME codes. Use these columns if you're using M or ME (or STC for self-calculation method) as your tax code on your IR330.

Remember if you used STC on your IR330 because you're using the self-calculating method, you need to use the M or ME column in the tax tables to calculate your tax.

Student loans

If you have a student loan you must use the 'SL Loan ded' column that corresponds to your tax code to calculate your repayment amount.

Remember that your tax code must be one of the following:

- M SL, ME SL, SB SL, S SL, SH SL, ST SL or SA SL if you have a student loan.

Secondary tax codes

If you're using a secondary tax code on your IR330 use the SB, S, SH, ST or SA columns at the back of the PAYE tables.

Note

The PAYE you calculate goes in column 3 of the IR348 - see page 18.

Completing your Employment information return - IR348

Every month you must complete your **Employment information return**. The due date is within 10 working days from the end of the month. You can do this in myIR or if filing by paper, send it to us.

The form needs to be completed with the following details:

- pay day date - this the last day of the month (for example, 30th)
- employment start (the date you started as an IR56 taxpayer) or finish date (the date you finished being an IR56 taxpayer) these only need to be shown once, in the month they occur
- enter MT in the pay frequency box
- pay period start and finish - this is the first and last days of the month
- gross earnings
- PAYE deducted (this is the tax you have calculated for your IR56 income)
- student loan deductions (if applicable)
- KiwiSaver deductions (if applicable) - see page 20.

If you file by paper you need to write your name, IRD number and tax code on the first couple of forms. After that this information will be pre-printed on them.

Electronic filing

You might prefer to file your forms online. With myIR you can access a range of online services when and where you want. You'll need to register for a myIR secure online services account - go to ird.govt.nz/myIR to register.

Student loans

If you have a student loan, you must use one of the SL tax codes - M SL, ME SL, SB SL, S SL, SH SL, ST SL or SA SL - to work out the student loan repayment deductions from your earnings.

You also need to use one of the SL tax codes on your **Tax code declaration - IR330**.

Child support

Inland Revenue assesses and collects child support from parents who do not live with their children or have shared care. For more information on how to make child support payments, go to ird.govt.nz/childsupport or call us on 0800 221 221.

Employees of an overseas employer

If you live in New Zealand and your overseas employer does not have an obligation to register as an employer in New Zealand, you have an obligation to register as an IR56 taxpayer.

For more information refer to ird.govt.nz/ir56

You will not need to register as an IR56 taxpayer if your employer registers as an employer with Inland Revenue or arranges for another person to undertake employment-related tax obligations for you.

If you are a New Zealand-based employee of an overseas employer and received non-cash benefits (also known as a fringe benefit), you will have to include these benefits as gross income in your **Employment Information – IR348** return. You will also need to include any employer superannuation contributions.

Calculating non-cash benefits from your employer

If you receive any kind of non-cash benefit, for example health insurance, you must include the value of the benefit as part of your gross income in the employment information return.

If the non-cash benefit is paid regularly, for example monthly, simply include the value of the non-cash benefit as gross income in the employment information return and tax accordingly.

You can use the PAYE calculator to do this, go to ird.govt.nz/self-calculate-ir56

If it is a lump sum, you will need to calculate the PAYE on it separately to your salary. Then you will need to combine these in your employment information return, go to

ird.govt.nz/calculate-lump-sum-payee

If you buy or are given shares/share options from your employer for free or below market value, that is considered employment income as employee share scheme (ESS) benefit. You must include the taxable value of the ESS benefit in your employment information return. For more information go to ird.govt.nz/essfiling

If you receive a Working for Families entitlement and receive any kind of non-cash benefit, you will need to complete an **Adjust your income - IR215** form.

Any non-cash benefits received are not adjustable in your student loan obligation, for more information, go to ird.govt.nz/eoy-adjustments

Calculating superannuation

If your employer contributes to a superannuation scheme or fund, you need to account for Employer Superannuation Contribution Tax (ESCT).

There are 2 options:

- Add this in the employment information ESCT field, go to ird.govt.nz/esct or
- opt for it to be taxed as PAYE. This means your income is increased and now included for Working for Families, child support, independent earner tax credit and any student loan payments, for more information, go to ird.govt.nz/payee-sct-deductions

Example - Employment information - IR348



IR3480420

Inland Revenue
Te Tari Taake

Employer name Peter Brown

Employment Information

For help, refer to IR337 Completing Employment Information forms

Employer IRD number 1 2 3 5 3 3 4 1 0

Month ending 2 3 1 0 8 2 0 2 4

Pay date 2A 1 5 0 8 2 0 2 4

Employee name and IRD number
Surname: Peter, First name(s): Brown, IRD number: 0 1 2 2 2 2 2 2 2 2

Tax code M SL, **Pay frequency** W K

Employment date start 0 5 0 8 2 4, **Employment date finish** 1 1 0 8 2 4

Pay Period date start 1 1 0 8 2 4, **Pay Period date finish** 1 1 0 8 2 4

Child support code []

Earnings and/or scheduled payments not liable for ACC earners' levy \$ 1 5 0 0 0 0

Employee share scheme income \$ 3 2 4 4 0 0

Child support deductions \$ 1 0 0 0 0 0

Student loan deductions \$ 1 2 4 3 2 0

Net KiwiSaver employer contributions \$ 6 0 0 0 0 0

ESCT deductions \$ 3 1 5 0 0 0

Prior period PAYE adjustment \$ []

Net income \$ []

Employee name and IRD number
Surname: Davies, First name(s): Ross, IRD number: 0 1 2 7 2 3 1 4 2

Tax code WT, **Pay frequency** W K

Employment date start [], **Employment date finish** 1 1 0 8 2 4

Pay Period date start [], **Pay Period date finish** 1 1 0 8 2 4

Child support code []

Earnings and/or scheduled payments not liable for ACC earners' levy \$ 2 0 0 0 0 0

Employee share scheme income \$ 2 0 0 0 0 0

Child support deductions \$ []

Student loan deductions \$ []

Net KiwiSaver employer contributions \$ []

ESCT deductions \$ []

Prior period PAYE adjustment \$ []

Net income \$ []

IR348 April 2020

RESET FORM

Declaration I declare that the information given in this return is true and correct.

Signature: / / Date

ACC earners' levy

All workers, including IR56 taxpayers, must pay an ACC earners' levy to cover the cost of non-work injuries. Inland Revenue collects this levy on behalf of ACC. The earners' levy is already included in the PAYE amounts, so you do not have to do any extra calculations.

ACC will invoice you as an employer for the levies that are payable on your IR56 income (for example, levies to cover you for work-related injuries). If you also receive other income liable for ACC levies like schedular payments, active partnership income or self-employed income, we'll pass this information to ACC to invoice levies on this income.

Further information

If you have any queries about ACC or levies payable, please see the ACC website www.acc.co.nz/about-us or contact the ACC Business Service Centre by:

phone 0800 222 776
email business@acc.co.nz

Independent earner tax credit (IETC)

IETC is a tax credit for individual New Zealand tax residents with annual net income* between \$24,000 and \$70,000, who meet the following criteria:

- neither you nor your partner are entitled to Working for Families
- neither you nor your partner receive any overseas equivalent of Working for Families
- you're not receiving a Work and Income main benefit, NZ Super, Veteran's Pension or an overseas equivalent.

Entitlement is determined monthly, so if you do not meet the criteria for any part of a month you will not qualify for any of that month.

If you qualify for IETC, and your IR56 income is your main source of income, deduct PAYE using the ME tax code. Or, complete a **Tax code declaration - IR330** and give it to the employer you earn the highest income from. The tax codes are:

- ME for non-student loan borrowers who qualify, and
- ME SL for student loan borrowers who qualify.

For more information on IETC go to ird.govt.nz/ietc

* Net income means your total income from all sources less any allowable deductions or current year losses (not including any losses brought forward).

If you're not sure whether you qualify for the IETC you can continue to use the same tax code. At the end of the year, we'll send you an income tax assessment and let you know if you have an IETC entitlement.

KiwiSaver

IR56 taxpayers fall into 2 groups for KiwiSaver.

1. Private domestic workers (home help, nannies, attendant caregivers, gardeners and domestic odd-jobbers).
2. Embassy staff, New Zealand-based employee of an overseas employer and United States Antarctic Program workers.

Private domestic workers

- You can only opt in to KiwiSaver by contracting directly with a KiwiSaver scheme provider (if you meet the eligibility rules)
- You cannot opt out of KiwiSaver - contact your scheme provider to negotiate a break in contributions
- You can deduct KiwiSaver contributions from your salary or wages
- You can choose to make compulsory employer contributions.
- You must include KiwiSaver amounts on the IR348 along with the PAYE.

Note

Private domestic workers are not liable for ESCT (employer superannuation contribution tax) on any employer contributions. If you make employer contributions include the gross amount in the 'Net KiwiSaver employer contributions' box of your **Employment information - IR348**.

Staff employed by foreign embassies, New Zealand-based employee of an overseas employer, and United States Antarctic Program workers

- You can only opt into KiwiSaver by contracting directly with a KiwiSaver scheme provider (if you meet the eligibility rules)
- You cannot opt out of KiwiSaver - contact your scheme provider to negotiate a break in contributions
- You can deduct contributions from your salary and wages
- You are not entitled to receive compulsory employer contributions
- You include KiwiSaver deductions on the IR348 along with their PAYE

Note

Any KiwiSaver member can make voluntary contributions at any time, by making payments directly to their provider, or through us. These will not offset any obligation you have to make contribution deductions from your salary or wages. Voluntary contributions paid through us are not recorded on your employer returns.

For more information about KiwiSaver, go to kiwisaver.govt.nz or **KiwiSaver for employers - KS4** or the **Employers Guide - IR335**.

Payroll giving

Payroll giving is a voluntary scheme. It's a way of making donations from salary or wages to approved donee organisations and receiving an immediate tax credit for payroll donations of 33% for each dollar donated.

Private domestic workers who file their **Employment information - IR348** form electronically can choose to take part in payroll giving.

If you choose to donate through payroll giving you'll be responsible for:

- ensuring your chosen donee organisation is on the IRD approved donee organisation list at ird.govt.nz/donee
- deducting donations from your pay and passing the donation to the donee organisation
- advising the donee organisation that the donation is made through payroll giving
- calculating the tax credit you're entitled to and including this on your **Employment information - IR348**
- reducing the amount of PAYE by the amount of the tax credits for payroll donations for that pay period.

If you want to take part in payroll giving you'll need to complete your employment information electronically. Go to ird.govt.nz to register and watch the demonstration.

For more information about taking part in payroll giving, refer to our **Payroll giving - IR617** guide or ird.govt.nz/ir56

Note

If you choose to donate through payroll giving, you are not able to claim the same donation on the **Tax credit claim form - IR526** as you've already received the credit.

Electronic filing

You can complete and file your employment information returns (IR348) online. With myIR you can access a range of online services when and where you want. You'll need to register for a myIR secure online services account - go to ird.govt.nz/myIR to register.

To find out more about online filing you can attend one of our employer workshops/seminars being run throughout the country - ird.govt.nz/seminars

When to make payments

You must pay PAYE monthly. PAYE deducted in 1 month is due by the 20th of the following month.

Example	
Pay period	Due date
Theresa worked for 5 days and was paid in October	20 November
Theresa worked for the whole of November and was paid on 1 December	20 January.

If your payment is made late, you'll be charged interest and may also be charged late payment penalties and non-payment penalties - see page 24.

How to make payments

For full details on payment options go to ird.govt.nz/pay

Paying online by credit or debit card

You can make all your online payments by credit or debit card. There is a 1.42% convenience fee on each transaction. You do not have to pay this fee if you're making overseas payments for a student loan or non-custodial child support.

Electronically through your bank

Electronic payments are automatic payment, direct credit and online banking. Major banks offer an online tax payment service on their website which ensures the payment reference details are included with your payment. If your bank does not offer this service, you can pay using their standard online service. Make sure you include all the details we need to credit your payment to your account.

If you're paying PAYE, you need to select the DED tax type. DED refers to "employer deductions" and applies to PAYE or any combination of PAYE, child support, student loan, KiwiSaver and ESCT.

Example		
Particulars	1 0 0 1 0 0 1 0 0	Your IRD number
Payee code	0 0 0 T A X D E D	Payee code must be 000 space TAX space DED
Reference	3 0 0 4 2 0 1 6	Your return period end date with no spaces or dashes

Pay by self-service phonenumber

To make a payment:

1. Call our self-service phonenumber (0800 257 777).
2. Enter your IRD number.
3. If you are a:
 - salary and/or wage earner, press '1' (salary and wages) then '5' (credit/debit card payment)
 - self-employed individual or non-individual, press '2' (business enquiries) then '4' (credit/debit card payment).

Payments you make using your credit card or debit card will incur a fee.

Penalties and interest

Late filing penalties

Late filing penalties apply when an **Employment information - IR348** is not filed by the due date. The late filing penalty is \$250. You have 30 days to pay the penalty after the end of the month in it is charged in.

If the late filing penalties are not paid within 30 days after the end of the month, you'll also be charged late payment penalties and interest on the late filing penalties.

Late payment penalty and interest

We'll charge you a late payment penalty if you miss a payment, but if you have a good payment history with us we may contact you before we do this. We'll also charge you interest if you do not make your tax payment by the due date. Interest is applied to amounts of \$100 or less of underpaid or overpaid tax.

Non-payment of employment deductions penalty

If the PAYE amount owing for the month is not paid by the due date, we'll send you a reminder letter. If the overdue amount is not paid or an instalment arrangement entered into, we'll charge you a non-payment penalty (NPP). You'll still have to pay the late payment penalties and interest.

Every month an amount remains outstanding we'll charge you a further NPP. If, within a month of the penalty date you have not paid in full or enter into an instalment arrangement, the NPP will be 10% of the unpaid tax. If you do pay in full or enter into an instalment arrangement within that month, the NPP will be reduced to 5% of the unpaid tax.

For more information about penalties and interest see our guide **Penalties and interest - IR240**.

Arrangements

In some situations where you cannot pay your tax by the due date, we may agree to an arrangement payment plan with you. If you think you are going to have difficulties paying your PAYE, talk to us before it's overdue as we may be able to reduce the penalties. The longer you leave it the more you'll have to pay.

Failing to account for PAYE

You are responsible for deducting your own PAYE and paying this to us. Failing to do so is a serious offence and we may consider charging shortfall penalties or prosecution. There are also penalties for failing to deduct or account for student loan repayments (where applicable).

60-day grace period

If you are required to deduct tax and have not done this yet, you may have a 60-day grace period to either register as an IR56 taxpayer and/or pay the tax without penalties being applied.

For more information refer to ird.govt.nz/non-resident-employers-filing

End-of-year responsibilities

If your only income is from IR56 income, salary or wages, Māori authority distributions, interest or dividends and we are satisfied we have all your income details we will automatically complete your end-of-year income tax assessment and advise you of the result.

If you received any other type of income apart from IR56 income, salary or wages (with PAYE deducted), Māori authority distributions, interest or dividends, you must file an IR3 return.

If you have made any donations of \$5 or more to an approved donee organisation you can claim tax credits on the donation. For more information go to ird.govt.nz/donations

Note

If you have donated through payroll giving you have already received the credit and can't claim for it again.

For more information on your end-of-year income tax assessment go to ird.govt.nz/income-tax-assessments

Services you may need

Need to speak with us?

Have your IRD number ready and call us on one of these numbers.

General tax, tax credits and refunds	0800 775 247
Employer enquiries	0800 377 772
General business tax	0800 377 774
Overdue returns and payments	0800 227 771

Find out more at ird.govt.nz/contact-us

0800 self-service number

Our 0800 self-service number, 0800 257 777, is open 7 days a week. Make sure you have your IRD number ready when you call.

For access to your account-specific information, you'll need to be enrolled with voice ID or have a PIN.

When you call, confirm what you want from the options given. If you need to talk with us, we'll re-direct your call to someone who can help you.

Supporting businesses in our community

Our Community Compliance officers offer free tax education and advice to businesses and small organisations, as well as seminars for personal tax and entitlements.

Our Kaitakawaenga Māori offer a free advisory service to help meet the needs of Māori individuals, organisations and businesses.

Go to a seminar or workshop, or request a visit from us to find out more about:

- records you need to keep
- taxes you need to know about
- using our online services
- completing your tax returns (eg GST, employer returns)
- filing returns and making payments
- your KiwiSaver obligations.

Go to ird.govt.nz/contact-us and select **Request a business advisory** to find out about requesting a visit.

Find a seminar or workshop near you at ird.govt.nz/seminars

Privacy

Meeting your tax obligations means giving us accurate information so we can assess your tax and entitlements under the Acts we administer. We may charge penalties if you do not.

We may also exchange information about you with:

- some government agencies
- another country, if we have an information supply agreement with them, and
- Statistics New Zealand (for statistical purposes only).

You can ask for the personal information we hold about you. We'll give the information to you and correct any errors, unless we have a lawful reason not to. Find our full privacy policy at ird.govt.nz/privacy

If you have a complaint about our service

We're committed to providing you with a quality service. If there's a problem, we'd like to know about it and have the chance to fix it.

If you disagree with how we've assessed your tax, you may need to follow a formal disputes process.

Find out more about making a complaint, and the disputes process, at ird.govt.nz/disputes

IR56 summary forms

Use the monthly summary forms on the following pages to record your PAYE using the self-calculating method.

April 2024

Earnings as an IR56 taxpayer with NO PAYE deducted

Payer's name

Gross earning
(with no PAYE deducted)

\$.	
\$.	
\$.	
\$.	
\$.	
\$.	
\$.	
\$.	

Transfer to "gross earnings and/or schedular payments" box on your employment information.

Total gross

A

\$.	
----	--	---	--

Earnings with PAYE deducted (salary and wages)

Payer's name

Gross earning
(before PAYE deducted)

\$.	
\$.	
\$.	
\$.	
\$.	
\$.	
\$.	
\$.	

PAYE deducted by employer

\$.	
\$.	
\$.	
\$.	
\$.	
\$.	
\$.	
\$.	

B

C

Total gross

Total PAYE

Total combined gross earnings

Add Box A and B

D

\$.	
----	--	---	--

PAYE (from PAYE tables) on combined total gross earnings in Box D

E

\$.	
----	--	---	--

Total PAYE paid from Box C

F

\$.	
----	--	---	--

PAYE to pay

Subtract Box F from Box E.

This is your balance of PAYE to pay.

G

\$.	
----	--	---	--

Transfer to Box 3 on your Employment information - IR348 form.

May 2024

Earnings as an IR56 taxpayer with NO PAYE deducted

Payer's name

Gross earning
(with no PAYE deducted)

\$.	
\$.	
\$.	
\$.	
\$.	
\$.	
\$.	
\$.	

Transfer to "gross earnings and/or schedular payments" box on your employment information.

Total gross

A

Earnings with PAYE deducted (salary and wages)

Payer's name

Gross earning
(before PAYE deducted)

\$.	
\$.	
\$.	
\$.	
\$.	
\$.	
\$.	
\$.	
\$.	

PAYE deducted by employer

\$.	
\$.	
\$.	
\$.	
\$.	
\$.	
\$.	
\$.	
\$.	

B

C

Total gross

Total PAYE

Total combined gross earnings

Add Box A and B

D

\$.	
----	--	---	--

PAYE (from PAYE tables) on combined total gross earnings in Box D

E

\$.	
----	--	---	--

Total PAYE paid from Box C

F

\$.	
----	--	---	--

PAYE to pay

Subtract Box F from Box E.

This is your balance of PAYE to pay.

G

\$.	
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Transfer to Box 3 on your **Employment information - IR348 form.**

June 2024

Earnings as an IR56 taxpayer **with NO PAYE deducted**

Payer's name

Gross earning
(with no PAYE deducted)

\$		
\$		
\$		
\$		
\$		
\$		
\$		
\$		

Transfer to "gross earnings and/or schedular payments" box on your employment information.

Total gross

A

Earnings **with PAYE deducted** (salary and wages)

Payer's name

Gross earning
(before PAYE deducted)

\$		
\$		
\$		
\$		
\$		
\$		
\$		
\$		

PAYE deducted by employer

\$		
\$		
\$		
\$		
\$		
\$		
\$		
\$		

B

C

Total gross

Total PAYE

Total combined gross earnings

Add Box A and B

D

\$		
----	--	--

PAYE (from PAYE tables) on combined total gross earnings in Box D

E

\$		
----	--	--

Total PAYE paid from Box C

F

\$		
----	--	--

PAYE to pay

Subtract Box F from Box E.

This is your balance of PAYE to pay.

G

\$		
----	--	--

Transfer to Box 3 on your **Employment information - IR348 form.**

July 2024

Earnings as an IR56 taxpayer with NO PAYE deducted

Payer's name

Gross earning
(with no PAYE deducted)

\$.	
\$.	
\$.	
\$.	
\$.	
\$.	
\$.	
\$.	

Transfer to "gross earnings and/or schedular payments" box on your employment information.

Total gross

A

Earnings with PAYE deducted (salary and wages)

Payer's name

Gross earning
(before PAYE deducted)

\$.	
\$.	
\$.	
\$.	
\$.	
\$.	
\$.	
\$.	
\$.	

PAYE deducted by employer

\$.	
\$.	
\$.	
\$.	
\$.	
\$.	
\$.	
\$.	
\$.	

B

C

Total gross

Total PAYE

Total combined gross earnings

Add Box A and B

D

\$.	
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PAYE (from PAYE tables) on combined total gross earnings in Box D

E

\$.	
----	--	---	--

Total PAYE paid from Box C

F

\$.	
----	--	---	--

PAYE to pay

Subtract Box F from Box E.

This is your balance of PAYE to pay.

G

\$.	
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Transfer to Box 3 on your **Employment information - IR348 form.**

August 2024

Earnings as an IR56 taxpayer with NO PAYE deducted

Payer's name

Gross earning
(with no PAYE deducted)

\$.	
\$.	
\$.	
\$.	
\$.	
\$.	
\$.	
\$.	

Transfer to "gross earnings and/or schedular payments" box on your employment information.

Total gross

A

\$.	
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Earnings with PAYE deducted (salary and wages)

Payer's name

Gross earning
(before PAYE deducted)

\$.	
\$.	
\$.	
\$.	
\$.	
\$.	
\$.	
\$.	
\$.	

PAYE deducted by employer

\$.	
\$.	
\$.	
\$.	
\$.	
\$.	
\$.	
\$.	
\$.	

B

C

Total gross

Total PAYE

Total combined gross earnings

Add Box A and B

D

\$.	
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PAYE (from PAYE tables) on combined total gross earnings in Box D

E

\$.	
----	--	---	--

Total PAYE paid from Box C

F

\$.	
----	--	---	--

PAYE to pay

Subtract Box F from Box E.

This is your balance of PAYE to pay.

G

\$.	
----	--	---	--

Transfer to Box 3 on your **Employment information - IR348 form.**

September 2024

Earnings as an IR56 taxpayer with NO PAYE deducted

Payer's name

Gross earning
(with no PAYE deducted)

\$.	
\$.	
\$.	
\$.	
\$.	
\$.	
\$.	
\$.	

Transfer to "gross earnings and/or schedular payments" box on your employment information.

Total gross

A

Earnings with PAYE deducted (salary and wages)

Payer's name

Gross earning
(before PAYE deducted)

\$.	
\$.	
\$.	
\$.	
\$.	
\$.	
\$.	
\$.	
\$.	

PAYE deducted by employer

\$.	
\$.	
\$.	
\$.	
\$.	
\$.	
\$.	
\$.	
\$.	

B

C

Total gross

Total PAYE

Total combined gross earnings

Add Box A and B

D

\$.	
----	--	---	--

PAYE (from PAYE tables) on combined total gross earnings in Box D

E

\$.	
----	--	---	--

Total PAYE paid from Box C

F

\$.	
----	--	---	--

PAYE to pay

Subtract Box F from Box E.

This is your balance of PAYE to pay.

G

\$.	
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Transfer to Box 3 on your **Employment information - IR348 form.**

October 2024

Earnings as an IR56 taxpayer with NO PAYE deducted

Payer's name

Gross earning
(with no PAYE deducted)

\$		
\$		
\$		
\$		
\$		
\$		
\$		
\$		

Transfer to "gross earnings and/or schedular payments" box on your employment information.

Total gross

A

Earnings with PAYE deducted (salary and wages)

Payer's name

Gross earning
(before PAYE deducted)

\$		
\$		
\$		
\$		
\$		
\$		
\$		
\$		

PAYE deducted by employer

\$		
\$		
\$		
\$		
\$		
\$		
\$		
\$		

B

C

Total gross

Total PAYE

Total combined gross earnings

Add Box A and B

D

\$		
----	--	--

PAYE (from PAYE tables) on combined total gross earnings in Box D

E

\$		
----	--	--

Total PAYE paid from Box C

F

\$		
----	--	--

PAYE to pay

Subtract Box F from Box E.

This is your balance of PAYE to pay.

G

\$		
----	--	--

Transfer to Box 3 on your **Employment information - IR348 form.**

November 2024

Earnings as an IR56 taxpayer with NO PAYE deducted

Payer's name

Gross earning
(with no PAYE deducted)

\$.	
\$.	
\$.	
\$.	
\$.	
\$.	
\$.	
\$.	

Transfer to "gross earnings and/or schedular payments" box on your employment information.

Total gross

A

Earnings with PAYE deducted (salary and wages)

Payer's name

Gross earning
(before PAYE deducted)

\$.	
\$.	
\$.	
\$.	
\$.	
\$.	
\$.	
\$.	
\$.	

PAYE deducted by employer

\$.	
\$.	
\$.	
\$.	
\$.	
\$.	
\$.	
\$.	
\$.	

B

C

Total gross

Total PAYE

Total combined gross earnings

Add Box A and B

D

\$.	
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PAYE (from PAYE tables) on combined total gross earnings in Box D

E

\$.	
----	--	---	--

Total PAYE paid from Box C

F

\$.	
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PAYE to pay

Subtract Box F from Box E.

This is your balance of PAYE to pay.

G

\$.	
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Transfer to Box 3 on your **Employment information - IR348 form.**

December 2024

Earnings as an IR56 taxpayer with NO PAYE deducted

Payer's name

Gross earning
(with no PAYE deducted)

\$		
\$		
\$		
\$		
\$		
\$		
\$		
\$		

Transfer to "gross earnings and/or schedular payments" box on your employment information.

Total gross

A

Earnings with PAYE deducted (salary and wages)

Payer's name

Gross earning
(before PAYE deducted)

\$		
\$		
\$		
\$		
\$		
\$		
\$		
\$		

PAYE deducted by employer

\$		
\$		
\$		
\$		
\$		
\$		
\$		
\$		

B

C

Total gross

Total PAYE

Total combined gross earnings

Add Box A and B

D

\$		
----	--	--

PAYE (from PAYE tables) on combined total gross earnings in Box D

E

\$		
----	--	--

Total PAYE paid from Box C

F

\$		
----	--	--

PAYE to pay

Subtract Box F from Box E.

This is your balance of PAYE to pay.

G

\$		
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Transfer to Box 3 on your **Employment information - IR348 form.**

January 2025

Earnings as an IR56 taxpayer with NO PAYE deducted

Payer's name

Gross earning
(with no PAYE deducted)

\$.	
\$.	
\$.	
\$.	
\$.	
\$.	
\$.	
\$.	

Transfer to "gross earnings and/or schedular payments" box on your employment information.

Total gross

A

Earnings with PAYE deducted (salary and wages)

Payer's name

Gross earning
(before PAYE deducted)

\$.	
\$.	
\$.	
\$.	
\$.	
\$.	
\$.	
\$.	
\$.	

PAYE deducted by employer

\$.	
\$.	
\$.	
\$.	
\$.	
\$.	
\$.	
\$.	
\$.	

B

C

Total gross

Total PAYE

Total combined gross earnings

Add Box A and B

D

\$.	
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PAYE (from PAYE tables) on combined total gross earnings in Box D

E

\$.	
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Total PAYE paid from Box C

F

\$.	
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PAYE to pay

Subtract Box F from Box E.

This is your balance of PAYE to pay.

G

\$.	
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Transfer to Box 3 on your **Employment information - IR348 form.**

February 2025

Earnings as an IR56 taxpayer with NO PAYE deducted

Payer's name

Gross earning
(with no PAYE deducted)

\$		
\$		
\$		
\$		
\$		
\$		
\$		
\$		

Transfer to "gross earnings and/or schedular payments" box on your employment information.

Total gross

A

Earnings with PAYE deducted (salary and wages)

Payer's name

Gross earning
(before PAYE deducted)

\$		
\$		
\$		
\$		
\$		
\$		
\$		
\$		

PAYE deducted by employer

\$		
\$		
\$		
\$		
\$		
\$		
\$		
\$		

B

C

Total gross

Total PAYE

Total combined gross earnings

Add Box A and B

D

\$		
----	--	--

PAYE (from PAYE tables) on combined total gross earnings in Box D

E

\$		
----	--	--

Total PAYE paid from Box C

F

\$		
----	--	--

PAYE to pay

Subtract Box F from Box E.

This is your balance of PAYE to pay.

G

\$		
----	--	--

Transfer to Box 3 on your Employment information - IR348 form.

March 2025

Earnings as an IR56 taxpayer with NO PAYE deducted

Payer's name

Gross earning
(with no PAYE deducted)

\$.	
\$.	
\$.	
\$.	
\$.	
\$.	
\$.	
\$.	

Transfer to "gross earnings and/or schedular payments" box on your employment information.

Total gross

A

Earnings with PAYE deducted (salary and wages)

Payer's name

Gross earning
(before PAYE deducted)

\$.	
\$.	
\$.	
\$.	
\$.	
\$.	
\$.	
\$.	

PAYE deducted by employer

\$.	
\$.	
\$.	
\$.	
\$.	
\$.	
\$.	
\$.	

B

C

Total gross

Total PAYE

Total combined gross earnings

Add Box A and B

D

\$.	
----	--	---	--

PAYE (from PAYE tables) on combined total gross earnings in Box D

E

\$.	
----	--	---	--

Total PAYE paid from Box C

F

\$.	
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PAYE to pay

Subtract Box F from Box E.

This is your balance of PAYE to pay.

G

\$.	
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Transfer to Box 3 on your **Employment information - IR348 form.**



Te Kāwanatanga o Aotearoa
New Zealand Government